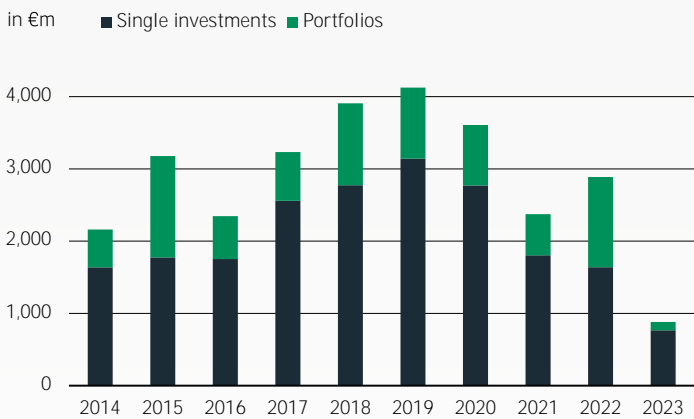




At a Glance **Q4 2023**

INVESTMENT MARKET DÜSSELDORF

Investment volume



MARKET REVIVAL REMAINS ABSENT IN FINAL QUARTER

The Düsseldorf investment market generated €882 million in 2023, placing it in the middle of the A-locations. This is a 69% decrease compared to the long-term average and the previous year. The A-locations as a whole also achieved an average result that is around 67% below the 10-year average. The market was characterized by a stuttering economic engine and a challenging financing environment throughout the year. The market continues to be characterised by reluctance and unwillingness to invest. Despite a €100 million investment volume, no market revival was observed in the final quarter. As in other locations, there were no significant large-volume deals with a significant signal character observed in Düsseldorf in 2023, which might have hinted towards a trend shift to more lively investment activity.

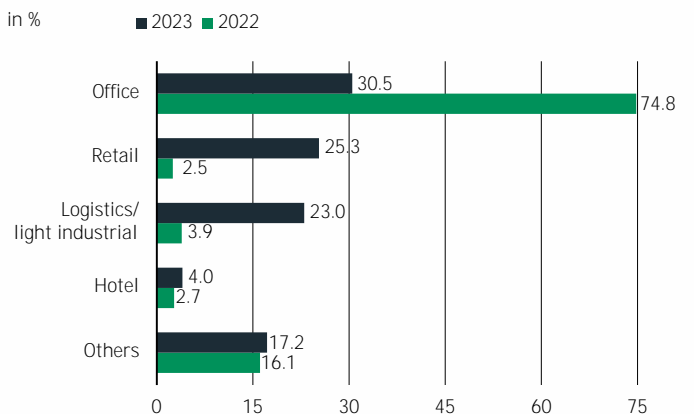
Investments by € category



SEGMENT UP TO €10 MILLION STILL RELATIVELY SOLID

The distribution of the investment volume across the individual size categories is similar to that of the previous year. Only the segment of small deals up to €10 million recorded an above-average market share of 8%. In absolute terms, however, the investment volume is significantly below average in all size categories without exception. With an investment volume totalling €71 million, the size category up to € 10 million recorded the smallest decline in volume (-58%) compared to the 10-year average. The reason for the overall weak investment result is the low number of large-volume deals. With the "Areal Böhler" business park and a commercial property deal, only two transactions in the segment over €100 million were registered.

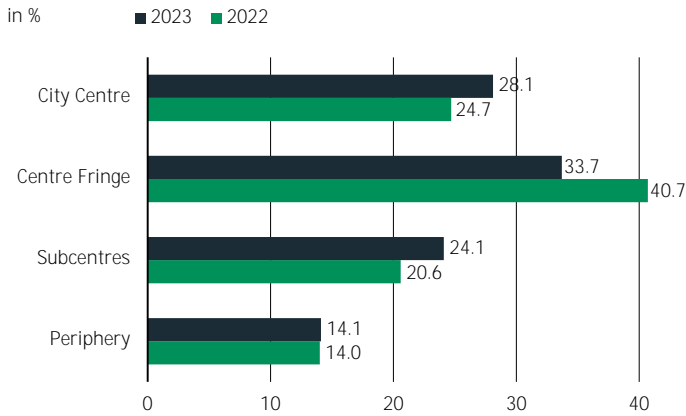
Investments by type of property



LOGISTICS ABOVE LONG-TERM AVERAGE

Office properties accounted for the largest share of the investment volume, contributing just under 31% or €269 million. Retail investments showed a significant improvement from the previous year, reaching €224 million (25% market share). However, this figure is still approximately 33% below its long-term average. Investments in logistics properties made a gratifying re-appearance. At a good €200 million, the investment volume in this segment is around 21% above the long-term average.

Investments by location



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➤ CITY CENTRE AND CENTRE FRINGE FORM HOTSPOTS

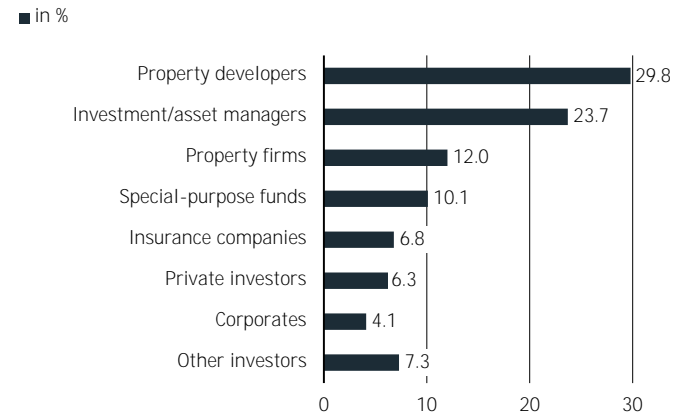
With a market share of 34%, the Centre Fringe make the highest contribution to the investment volume (average 10 years: 43%). In absolute terms, however, the investment volume in the Centre Fringe is also well below average at just €297 million (average 10 years: €1.26 billion). The city centre accounted for 28% of the investment volume, which is significantly lower than the long-term average (Ø 10 years: €757 million). The subcentres, on the other hand, remain relatively robust, accounting for 24% of transactions.

➤ PROPERTY DEVELOPERS ARE STRONGEST BUYER GROUP

Compared to previous years, the distribution of transactions among the individual buyer groups is unusual for the Düsseldorf investment market. Property developers account for just under 30% of the total transaction volume, followed by investment / asset managers with a share of just under 24%. However, the investment volume of this buyer group is significantly below the long-term average (-50%), at around €209 million. Property companies ranked third with a solid result of €106 million (average over 10 years: €121 million), representing a 12% share. In addition a double-digit share (10%) was achieved by the special funds. By contrast, property companies/REITs and pension funds, which have been strong buyers in recent years, have hardly made an appearance.

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Investments by buyer group 2023

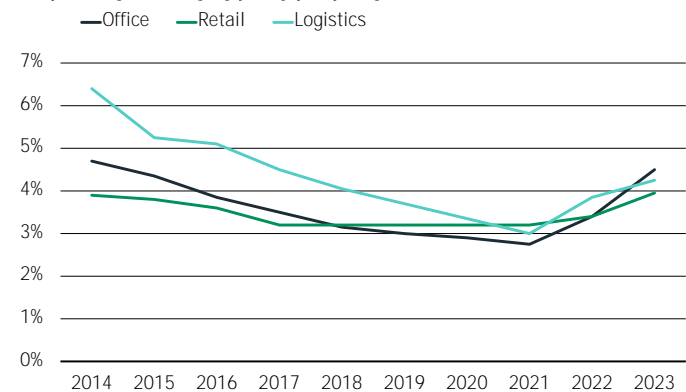


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➤ OFFICE AND LOGISTICS YIELDS RISE AGAIN IN Q4

The ECB's interest rate hikes continued to have an impact in the final quarter. The net prime yield for office properties rose by a further 25 basis points to 4.50%. The increase in logistics properties was somewhat more moderate, rising by 15 basis points to 4.25%. The prime yield for inner city commercial properties remained unchanged at 3.95%.

Net prime yields by type of property



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➤ OUTLOOK

The consolidation phase is also continuing on the Düsseldorf investment market. There was no market revival in the fourth quarter. The challenging economic environment combined with uncertainties about the future course of the European Central Bank continued to cause uncertainty over the course of 2023. As a result, institutional investors remained cautious and refrained from large-volume deals. The significant improvement in valuation ratios, the expectation of an economic recovery and the prospect of stable or slightly falling interest rates point to a much more dynamic investment market in the course of 2024. A slightly positive upturn can be expected in the first half of the year before investors regain more confidence in the second half and investment activity gains momentum.

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